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23 March 1956

MEMORANDUM FOR: Director of Administration, PCS/DCI

SUBJECT : Project AQUATONE

25X1A
25X1A
1. Enclosed herewith are signed contracts for the [] pilots of Detachment A. These contracts reflect an effective date in each instance which is the same as the old contract. You will note that I have witnessed the signature on each contract. The contracts now should be executed by the Agency and, specifically, the old contracts should be clearly marked "RESCINDED" or "CANCELLED". A sample copy of this contract was left with the Detachment Finance Officer. In addition, [] requested that a copy be made available to him. I advised I would pass this request on to Project Headquarters.

25X1A
2. In accordance with Mr. Bissell's memorandum to the DCI on 16 March 1956, action should be undertaken, presumably by your Office, to have letters of appointment signed by the Director of Personnel in accordance with the sample attached to that memorandum. Subsequently, arrangements should be made with Fiscal Division in order to assure coverage under FEHLI effective as of 1 April 1956. There has been some question raised since normal Government payrolls are on a bi-weekly basis. However, the law establishing this program specifically provides for payment of premiums when an employee is paid on other than a bi-weekly basis.

25X1A
25X1C
25X1A
3. In addition to the contracts on all [] pilots, there are enclosed Declarations of Estimated Tax for 1956 for all of the pilots except []. These returns, like the contracts, have been executed []. [] needs to receive additional information from his wife at which time he will either forward that information or a completed 1040 ES.

25X1C
4. Also enclosed are signed requests and authorizations in [] with respect to adjustment of monthly withholding for Federal income tax purposes, purchase of bonds, and confirmation of allotments. These should be made available to the Project Comptroller as soon as possible in order that he may make arrangements as necessary to adjust the payrolls.

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5. At a later date I shall forward individual memoranda on each of the pilots relating to income tax instructions furnished to them and to the Detachment Finance Officer. Also to be forwarded, at a later date, will be a memorandum discussing various details of the contracts which have been raised both by the pilots themselves and the Detachment Finance Officer. These questions dealt with what was the intent of the contract and what did certain provisions actually mean. There are no serious problems on any of these items at this time and will be problems only if at a later date payments under such provisions are at variance with what the pilots now understand and what the Detachment Finance Officer understands.

6. Please advise if this Office can be of assistance in accomplishing any of the items mentioned above.

JOHN S. WARNER
Deputy General Counsel

Attachments - 6

1. [] Contract w/1040 ES and Authorization
2. [] Contract w/1040 ES and Authorization
3. [] Contract w/1040 ES and Authorization
4. [] Contract w/Authorization
5. [] Contract w/1040 ES and Authorization
6. [] Contract w/1040 ES and Authorization

OGC/JSW []

Copies 1 & 2 - addressee
1 - OGC Project File